

94-F-1584



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

October 15, 1992

THE DIRECTOR

Honorable J. Danforth Quayle  
President of the Senate  
Washington, D.C. 20510

Dear Mr. President:

Enclosed is the twentieth report on United States Costs in the Persian Gulf Conflict and Foreign Contributions to Offset Such Costs, as required by Section 401 of P.L. 102-25. This report was prepared in consultation with the Secretary of Defense, the Secretary of State, the Secretary of the Treasury, and other appropriate government officials. Previous reports have covered the costs for the period beginning August 1, 1990, and ending July 31, 1992. A revised final report on contributions is also included in this report.

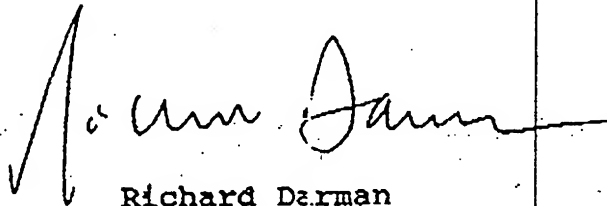
In accord with the legal requirement, this report provides the following information:

- o the incremental costs associated with Operation Desert Storm that were incurred during August 1992;
- o the cumulative total of such costs, by fiscal year, from August 1, 1990, to August 31, 1992;
- o the costs that are nonrecurring costs, offset by in-kind contributions, or offset by the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict;
- o the allocation of costs among the military departments, the Defense Agencies of the Department of Defense, and the Office of the Secretary of Defense by category -- airlift, sealift, personnel, personnel support, operating support, fuel, procurement, and military construction; and
- o the amount of contributions made to the United States by each foreign country. The report specifies the amount of cash payments pledged and received, provides a description and value of in-kind contributions pledged and received, and identifies restrictions on the use of such contributions.

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The costs reported to this point should be viewed as partial and preliminary for reasons noted in the enclosure. As required by Section 401 of P.L. 102-25, a final report will be submitted by November 15th.

Respectfully submitted,



Richard Darman  
Director

Enclosure

IDENTICAL LETTER SENT TO HONORABLE THOMAS S. FOLEY

COPIES TO: HONORABLE ROBERT C. BYRD, HONORABLE MARK O. HATFIELD,  
HONORABLE JAMIE L. WHITTEN, HONORABLE JOSEPH M. MCDADE,  
HONORABLE DANIEL K. INOUE, HONORABLE TED STEVENS,  
HONORABLE JOHN P. MURTHA, HONORABLE SAM NUNN,  
HONORABLE JOHN W. WARNER, HONORABLE LES ASPIN,  
HONORABLE WILLIAM L. DICKINSON, HONORABLE JIM SASSER,  
HONORABLE PETE V. DOMENICI, HONORABLE LEON E. PANETTA,  
AND HONORABLE WILLIS D. GRADISON, JR.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

THE DIRECTOR

October 15, 1992

Honorable Thomas S. Foley  
Speaker of the House of Representatives  
Washington, D.C. 20515

Dear Mr. Speaker:

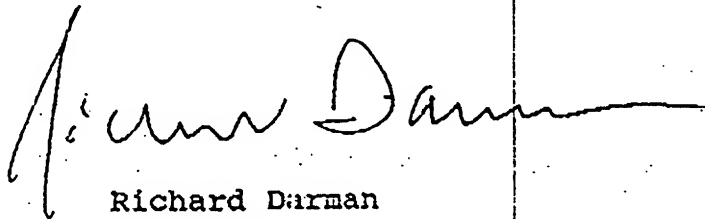
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In accord with the legal requirement, this report provides the following information:

- o the incremental costs associated with Operation Desert Storm that were incurred during August 1992;
- o the cumulative total of such costs, by fiscal year, from August 1, 1990, to August 31, 1992;
- o the costs that are nonrecurring costs, offset by in-kind contributions, or offset by the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict;
- o the allocation of costs among the military departments, the Defense Agencies of the Department of Defense, and the Office of the Secretary of Defense by category -- airlift, sealift, personnel, personnel support, operating support, fuel, procurement, and military construction; and
- o the amount of contributions made to the United States by each foreign country. The report specifies the amount of cash payments pledged and received, provides a description and value of in-kind contributions pledged and received, and identifies restrictions on the use of such contributions.

The costs reported to this point should be viewed as partial and preliminary for reasons noted in the enclosure. As required by Section 401 of P.L. 102-25, a final report will be submitted by November 15th.

Respectfully submitted,



Richard Darman  
Director

Enclosure

IDENTICAL LETTER SENT TO HONORABLE J. DANFORTH QUAYLE

COPIES TO: HONORABLE ROBERT C. BYRD, HONORABLE MARK O. HATFIELD,  
HONORABLE JAMIE L. WHITTEN, HONORABLE JOSEPH M. MCDADE,  
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HONORABLE PETE V. DOMENICI, HONORABLE LEON E. PANETTA,  
AND HONORABLE WILLIS D. GRADISON, JR.

UNITED STATES COSTS IN THE PERSIAN GULF CONFLICT AND  
FOREIGN CONTRIBUTIONS TO OFFSET SUCH COSTS

Report #20: October 15, 1992

Section 401 of P.L. 102-25 requires a series of reports on incremental costs associated with Operation Desert Storm and on foreign contributions to offset such costs. This is the twentieth of such reports. As required by Section 401 of P.L. 102-25, it covers costs incurred during August 1992 and a final report on contributions. Previous reports have covered the costs for the period beginning August 1, 1990, and ending July 31, 1992. A revised final report on contributions is also included in this report.

Costs

The costs covered in this and subsequent reports are full incremental costs of Operation Desert Storm. These are additional costs resulting directly from the Persian Gulf crisis (i.e., costs that would not otherwise have been incurred). It should be noted that only a portion of full incremental costs have been included in Defense supplemental appropriations. These portions are costs that required financing in fiscal year 1991-1993 and that are exempt from statutory Defense budget ceilings. Not included in fiscal year 1991-1993 appropriations are items of full incremental costs such as August-September 1990 costs and costs covered by in-kind contributions from allies.

The Department of Defense has estimated the full incremental cost of the Persian Gulf conflict to be \$61.1 billion. Costs reported by the field to the Department of Defense through August 31, 1992, are summarized in Table 1. The cost information is shown by the cost and financing categories specified in Section 401 of P.L. 102-25. Tables 2-9 provide more detailed information by cost category. Revised estimates for continued security operations in FY 1993 will be reflected in the final report.

The costs shown in Tables 1-9 include a revised estimate of the cost of equipment repair, rehabilitation, and maintenance caused by the high operating rates and combat use. They also include most of the costs of phasedown of operations and the return home of the deployed forces. However, incremental costs are being and will continue to be incurred in subsequent months. These include long-term benefit and disability costs, and the costs of continuing operations in the region. Almost 24,000 military personnel were in the region at the end of August. Combat aircraft continue to fly in the region and the U.S. forces will continue to remain in the region until all parties are satisfied with long term security arrangements. A Department of Defense estimate of potential total incremental costs by major

Incremental Coast Guard costs in support of military operations in the Persian Gulf were \$33.4 million.

Incremental Department of Education costs to date have been \$13.5 million. Incremental Department of Veterans Affairs costs to date have been \$252.6 million.

### Contributions

Section 401 of P.L. 102-25 requires that this report include the amount of each country's contribution during the period covered by the report, as well as the cumulative total of such contributions. Cash and in-kind contributions pledged and received are to be specified. All commitments have been fulfilled and no further contributions are expected.

Tables 10 and 11 list foreign contributions pledged in 1990 and 1991, respectively, and amounts received. Cash and in-kind contributions are separately specified.

Foreign countries contributed \$9.6 billion of the \$9.7 billion pledged in calendar year 1990, and \$44.2 billion of the \$44.3 billion pledged in calendar year 1991. The difference between contributions and pledges is due to in-kind assistance which had been made available, but could not be utilized. Of the total \$53.8 billion received, \$48.1 billion was in cash and \$5.7 billion was in-kind assistance (including food, fuel, water, building materials, transportation, and support equipment). As a result of a Government of Japan reduction of \$25 million in the value of in-kind assistance provided, an offsetting cash payment of \$25 million was made by Japan in October 1992. Table 12 provides further details on in-kind contributions. Table 13 summarizes the final status of commitments and contributions received.

### Future Reports

As required, the final report will be submitted by November 15th.

List of Tables

- Table 1 - Summary, Incremental Costs Associated with Operation Desert Storm
- Table 2 - Airlift, Incremental Costs Associated with Operation Desert Storm
- Table 3 - Sealift, Incremental Costs Associated with Operation Desert Storm
- Table 4 - Personnel, Incremental Costs Associated with Operation Desert Storm
- Table 5 - Personnel Support, -Incremental Costs Associated with Operation Desert Storm
- Table 6 - Operating Support, Incremental Costs Associated with Operation Desert Storm
- Table 7 - Fuel, Incremental Costs Associated with Operation Desert Storm
- Table 8 - Procurement, Incremental Costs Associated with Operation Desert Storm
- Table 9 - Military Construction, Incremental Costs Associated with Operation Desert Storm
- Table 10 - Foreign Contributions Pledged in 1990 to Offset U.S. Costs
- Table 11 - Foreign Contributions Pledged in 1991 to Offset U.S. Costs
- Table 12 - Description of In-kind-Assistance Received to Offset U.S. Costs
- Table 13 - Foreign Contributions Pledged in 1990 and 1991 to Offset U.S. Costs - Commitments and Receipts

Table 1

SUMMARY 1/

**INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM**

Incurring by the Department of Defense  
 From August 1, 1990 Through August 31, 1992  
 (\$ in millions)

Preliminary Estimates

	FY 1990	FY 1991	FY 1992			Partial and Preliminary Aug 1990 - August 1992
	Aug-Sep	Oct-Sep	Oct-July	August	Total	
(1) Airlift	412	2,631	150	6	156	3,199
(2) Sealift	235	4,313	445	1	446	4,994
(3) Personnel	223	5,247	1,125	71	1,196	6,666
(4) Personnel Support	352	6,261	126	19	145	6,758
(5) Operating Support	1,210	15,549	3,645	846	4,491	21,250
(6) Fuel	626	3,922	266	2	268	4,816
(7) Procurement	129	8,266	48		48	8,443
(8) Military Construction	11	340				351
<b>Total</b>	<b>3,197</b>	<b>46,531</b>	<b>5,805</b>	<b>945</b>	<b>6,750</b>	<b>56,477 2/</b>
Nonrecurring costs included above 3/	201	13,450	403	16	419	14,070
Costs offset by:						
In-kind contributions	225	5,226	208		208	5,659
Realignment 4/	913	118				1,031

1/ Data was compiled by OMB. Source of data — Department of Defense. This report adjusts earlier estimates to reflect more complete accounting information

2/ The costs reported so far are preliminary. This report includes an estimate of costs identified to date of equipment repair, rehabilitation, and maintenance caused by the high operating rates and combat use. The report also includes most of the costs of phasedown of operations and the return home of the deployed forces. However, certain long-term benefit and disability costs have not been reflected in the estimates.

3/ Nonrecurring costs include investment costs associated with procurement and Military Construction, as well as other one-time costs such as the activation of the Ready Reserve Force ships.

4/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.



Table 2

AIRLIFT

## INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM

Incurred by the Department of Defense  
From August 1, 1990 Through August 31, 1992  
(\$ in millions)

## Preliminary Estimates

	FY 1990	FY 1991	FY 1992		Total	Partial and Preliminary Aug 1990 - August 1992
	Aug-Sep	Oct-Sep	Oct-July	August		
<u>Airlift</u>						
Army	207	1,126	47		47	1,380
Navy	85	881	54	2	56	1,022
Air Force	114	596	49	5	53	763
Intelligence Agencies		1				1
Special Operations Command	6	28	0		0 1/	34
<b>Total</b>	<b>412</b>	<b>2,631</b>	<b>150</b>	<b>6</b>	<b>156</b>	<b>3,199</b>
Nonrecurring costs included above		1,050	47		47	1,097
Costs offset by:						
In-kind contributions	7	94	0		0 1/	101
Realignment 2/	6					6

1/ Costs are less than \$500 thousand.

2/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.

This category includes costs related to the transportation by air of personnel, equipment and supplies.

During this period 78 missions were flown, transporting over 2,700 short tons of cargo and 3,650 passengers to and from the Gulf region.

Table 3

SEALIFT

INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM

Incurred by the Department of Defense  
 From August 1, 1990 Through August 31, 1992  
 (\$ in millions)

Preliminary Estimate:

	FY 1990	FY 1991	FY 1992			Partial and Preliminary Aug 1990 - August 1992
	Aug-Sep	Oct-Sep	Oct-July	August	Total	
<u>Sealift</u>						
Army	123	3,430	388		388	3,941
Navy	99	497	27	1	28	624
Air Force	12	370	30		30	412
Defense Logistics Agency		14				14
Special Operations Command	2	2				4
<b>Total</b>	<b>235</b>	<b>4,313</b>	<b>445</b>	<b>1</b>	<b>446</b>	<b>4,994</b>
Nonrecurring costs included above	57	1,352	151		151	1,560
Costs offset by:						
In-kind contributions	2	151	12		12	165
Realignment 1/	2					2

1/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.

This category includes costs related to the transportation by sea of personnel, equipment and supplies.

Redeployment of all heavy equipment and supplies from the Gulf region was completed in May. Costs for August include billing for previous shipments and current operations.

Table 4

PERSONNEL

## INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM

Incurred by the Department of Defense  
From August 1, 1990 Through August 31, 1992  
(\$ in millions)  
Preliminary Estimates

	FY 1990	FY 1991	FY 1992		Total	Partial and Preliminary Aug 1990 - August 1992
	Aug-Sep	Oct-Sep	Oct-July	August		
<u>Personnel</u>						
Army	128	3,122	967	68	1,033	4,281
Navy	22	1,199	112	3	116	1,337
Air Force	75	926	45	2	47	1,047
Total	223	5,247	1,125	71	1,196	6,666
Nonrecurring costs included above		45				45
Costs offset by:						
In-kind contributions						
Realignment 1/	15					15

1/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.

This category includes pay and allowances of members of the reserve components of the Armed Forces called or ordered to active duty and the increased pay and allowances of members of the regular components of the Armed Forces incurred because of deployment in connection with Operation Desert Storm.

At the end of August almost 24,000 people were in theater.

Table 5

PERSONNEL SUPPORT

## INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM

Incurred by the Department of Defense  
From August 1, 1990 Through August 31, 1992

(\$ in millions)

Preliminary Estimates

	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>		<u>Total</u>	<u>Partial and Preliminary Aug 1990 - August 1992</u>
	<u>Aug-Sep</u>	<u>Oct-Sep</u>	<u>Oct-July</u>	<u>August</u>		
<u>Personnel Support</u>						
Army	209	4,822	183	16	199	5,230
Navy	104	889	-15	2	-14 1/	980
Air Force	24	498	-117	0 2/	-117 1/	405
Intelligence Agencies	2	10	0		0 2/	12
Defense Logistics Agency	12	18	1	0 2/	1	30
Defense Mapping Agency		6				6
Special Operations Command	2	9	1	0 2/	1	12
Office of the Secretary of Defense		10				10
Defense Health Program			74		74	74
<b>Total</b>	<b>352</b>	<b>6,261</b>	<b>126</b>	<b>19</b>	<b>145</b>	<b>6,758</b>

Nonrecurring costs included above	4	1,428	157	16	173	1,605
Costs offset by:						
In-kind contributions	28	1,665	17		17	1,709
Realignment 3/	3	6				9

1/ Some previously reported medical costs have been reallocated to the Defense Health Program to reflect the new funding responsibilities for that program.

2/ Costs are less than \$500 thousand.

3/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.

This category includes subsistence, uniforms and medical costs.

Most of the reported costs for this period were for Reserve deactivation and medical support.

Table 6

OPERATING SUPPORT

## INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM

Incurred by the Department of Defense  
From August 1, 1990 Through August 31, 1992  
(\$ in millions)

Preliminary Estimates

	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>			<u>Partial and Preliminary Aug 1990 - August 1992</u>
	<u>Aug-Sep</u>	<u>Oct-Sep</u>	<u>Oct-July</u>	<u>August</u>	<u>Total</u>	
<u>Operating Support</u>						
Army	896	8,461	2,805	4	2,809	12,166
Navy	223	4,251	379	659	1,038	5,511
Air Force	68	2,737	454	182	637	3,442
Intelligence Agencies		1				1
Special Operations Command	15	44	7	1	8	66
Defense Communications Agency		1				1
Defense Mapping Agency	8	49				57
Defense Nuclear Agency		3				3
Office of the Secretary of Defense		3				3
<b>Total</b>	<b>1,210</b>	<b>15,549</b>	<b>3,645</b>	<b>846</b>	<b>4,491</b>	<b>21,250</b>
<b>Nonrecurring costs included above</b>		<b>968</b>				<b>968</b>
<b>Costs offset by:</b>						
In-kind contributions	167	1,606	23		23	1,795
Realignment 1/	698	63				761

1/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.

This category includes equipment support costs, costs associated with increased operational tempo, spare parts, stock fund purchases, communications, and equipment maintenance.

The October-July estimate has been reduced by \$173 million due mainly to a reestimate of Army equipment repair, rehabilitation, and maintenance costs.

Costs reported for this period primarily reflect revised estimates of Service equipment repair, rehabilitation, and equipment maintenance.

Table 7

FUEL

## INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM

Incurred by the Department of Defense  
From August 1, 1990 Through August 31, 1992  
(\$ in millions)

## Preliminary Estimates

	FY 1990	FY 1991	FY 1992		Total	Partial and Preliminary Aug 1990 - August 1992
	Aug-Sep	Oct-Sep	Oct-July	August		
<u>Fuel</u>						
Army	10	197	16		16	224
Navy	19	1,234	131	2	133	1,386
Air Force	137	2,477	118		118	2,732
Special Operations Command		14	1	0 1/	1	15
Defense Logistics Agency	460					460
Total	626	3,922	266	2	268	4,816
Nonrecurring costs included above						
Costs offset by:						
In-kind contributions	21	1,290	136		138	1,447
Realignment 2/	60	1				61

1/ Costs are less than \$500 thousand.

2/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.

This category includes the additional fuel required for higher operating tempo and for airlift and sealift transportation of personnel and equipment as well as for the higher prices for fuel during FY 1991.

The costs reported during this period were for incremental fuel costs.

Table 8

PROCUREMENT

## INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM

Incurred by the Department of Defense  
From August 1, 1990 Through August 31, 1992  
(\$ in millions)

Preliminary Estimates

	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>		<u>Total</u>	<u>Partial and Preliminary Aug 1990 - August 1992</u>
	<u>Aug-Sep</u>	<u>Oct-Sep</u>	<u>Oct-July</u>	<u>August</u>		
<u>Procurement</u>						
Army	49	2,382	26		26	2,457
Navy	47	2,415				2,462
Air Force	32	3,332				3,364
Intelligence Agencies	1	12				12
Defense Communications Agency		0 1/				0 1/
Special Operations Command		99				99
Defense Logistics Agency		4				4
Defense Mapping Agency		1				1
Defense Nuclear Agency		0 1/				0 1/
Defense Systems Project Office		1				1
Office of the Secretary of Defense		21				21
Def. Adv. Res. Projects Agency			22		22	22
Total	129	8,266	48		48	8,443
Nonrecurring costs included above	129	8,266	48		48	8,443
Costs offset by:						
In-kind contributions		84	20		20	104
Realignment 2/	119	47				165

1/ Costs are less than \$500 thousand.

2/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.

This category includes ammunition, weapon systems improvements and upgrades, and equipment purchases.

No costs were reported during this period.

Table 9

MILITARY CONSTRUCTION

## INCREMENTAL COSTS ASSOCIATED WITH OPERATION DESERT STORM

Incurred by the Department of Defense  
From August 1, 1990 Through August 31, 1992  
(\$ in millions)

Preliminary Estimates

	<u>FY 1990</u>	<u>FY 1991</u>	<u>FY 1992</u>		<u>Total</u>	<u>Partial and Preliminary Aug 1990 - August 1992</u>
	<u>Aug-Sep</u>	<u>Oct-Sep</u>	<u>Oct-July</u>	<u>August</u>		
<u>Military Construction</u>						
Army	7	339				346
Navy						
Air Force	4	2				5
Total	11	340				351
Nonrecurring costs included above	11	340				351
Costs offset by:						
In-kind contributions		338				338
Realignment 1/	11	2				12

1/ This includes the realignment, reprogramming, or transfer of funds appropriated for activities unrelated to the Persian Gulf conflict.

This category includes the cost of constructing temporary billets for troops, and administrative and supply and maintenance facilities.

No costs were reported during this period.



Table 10

FINAL REPORT OF  
FOREIGN CONTRIBUTIONS PLEDGED IN 1990 TO OFFSET U.S. COSTS 1/  
(\$ in millions)

	Commitments			Receipts			Future Receipts
	Cash	In-kind	Total	Cash	In-kind	Total	
<b>GCC STATES</b>	<b>5,827</b>	<b>1,018</b>	<b>6,845</b>	<b>5,798</b>	<b>1,048</b>	<b>6,845</b>	
SAUDI ARABIA	2,457	882	3,339	2,428	912	3,339	
KUWAIT	2,500	6	2,506	2,500	6	2,506	
UAE	870	130	1,000	870	130	1,000	
GERMANY 2/ 3/	272	800	1,072	272	683	955	
JAPAN 2/	1,084	596	1,680	1,134	546	1,680	
KOREA	50	30	80	50	30	80	
BAHRAIN		1	1		1	1	
OMAN/QATAR		1	1		1	1	
DENMARK		1	1		1	1	
<b>TOTAL</b>	<b>7,233</b>	<b>2,447</b>	<b>9,680</b>	<b>7,254</b>	<b>2,309</b>	<b>9,563</b>	

1/ Data was compiled by OMB. Sources of data: commitments -- Defense, State, and Treasury; cash received -- Treasury; receipts and value of in-kind assistance -- Defense.

2/ 1990 cash contributions were for transportation and associated costs. In October 1992, the Government of Japan transferred \$25 million to the U.S. Government. This reflected a shift from in-kind support to cash support, and does not represent an additional contribution.

3/ The commitment has been fulfilled. Germany made available for donation to the U.S. over \$200 million worth of ammunition, which the U.S. chose not to accept due to the termination of the war.

Table 11

FINAL REPORT OF  
FOREIGN CONTRIBUTIONS PLEDGED IN 1991 TO OFFSET U.S. COSTS 1/  
(\$ in millions)

	Commitments			Receipts			Future Receipts
	Cash	In-kind	Total	Cash	In-kind	Total	
<u>GCC STATES</u>	<u>26,896</u>	<u>3,242</u>	<u>30,138</u>	<u>26,896</u>	<u>3,260</u>	<u>30,156</u>	
SAUDI ARABIA	10,381	3,119	13,500	10,381	3,134	13,515	
KUWAIT	13,515	35	13,550	13,515	38	13,553	
UAE	3,000	88	3,088	3,000	88	3,088	
GERMANY	5,500		5,500	5,500		5,500	
JAPAN 2/	8,332		8,332	8,332		8,332	
KOREA 3/	100	175	275	100	71	171	
DENMARK		11	11		11	11	
LUXEMBOURG		6	6		6	6	
OTHER	7	2	9	8	2	10	
TOTAL	40,836	3,436	44,271	40,836	3,350	44,186	

1/ Data was compiled by OMB. Sources of data: commitments -- Defense, State, and Treasury; cash received -- Treasury; receipts and value of in-kind assistance -- Defense.

2/ 1991 cash contributions are for logistics and related support.

3/ The commitment has been fulfilled and there are no future receipts against this commitment. The total commitment could not be fully utilized by the U.S. for Desert Shield/Desert Storm requirements. Korea has agreed to provide in-kind support for non-Desert Shield/Desert Storm projects in FY. 1992 in an amount equivalent to the difference.

Table 12

DESCRIPTION OF IN-KIND ASSISTANCE RECEIVED  
 TO OFFSET U.S. COSTS  
 (\$ in millions)

	Calendar Year 1990 Commitments	Calendar Year 1991 Commitments
SAUDI ARABIA ..... Host nation support including food, fuel, housing, bulclng materials, transportation and port handling services.	912	3,134
KUWAIT ..... Transportation	6	38
UNITED ARAB EMIRATES ..... Fuel, food and water, security services, construction equipment and civilian labor.	130	88
GERMANY ..... Vehicles including cargo trucks, water trailers, buses and ambulances; generators; radios; portable showers; protective masks, and chemical sensing vehicles	683	
JAPAN ..... Construction and engineering support, vehicles, electronic data processing, telephone services, medical equipment, and transportation.	546	
KOREA ..... Transportation and replenishment stocks	30	71
BAHRAIN ..... Medical supplies, food and water	1	
OMAN/QATAR ..... Oil, telephones, food and water	1	
DENMARK ..... Transportation	1	11
LUXEMBOURG ..... Transportation		6
OTHER ..... Transportation		2

Table 13

FINAL REPORT OF  
FOREIGN CONTRIBUTIONS PLEDGED IN 1990 AND 1991 TO OFFSET U.S. COSTS  
COMMITMENTS AND RECEIPTS 1/  
(\$ in millions)

	Commitments			Receipts			Future Receipts
	1990	1991	Total	Cash	In-kind	Total	
GCC STATES	<u>6,845</u>	<u>30,138</u>	<u>36,983</u>	<u>32,694</u>	<u>4,307</u>	<u>37,001</u>	
SAUDI ARABIA	3,339	13,500	16,839	12,809	4,046	16,854	
KUWAIT	2,506	13,550	16,056	16,015	44	16,059	
UAE	1,000	3,088	4,088	3,870	218	4,088	
GERMANY 2/	1,072	5,500	6,572	5,772	683	6,455	
JAPAN 3/	1,680	8,332	10,012	9,466	546	10,012	
KOREA 4/	80	275	355	150	101	251	
OTHER	3	26	29	8	22	30	
TOTAL	9,680	44,271	53,951	48,090	5,659	53,749	

- 1/ Data was compiled by OMB. Sources of data: commitments — Defense, State, and Treasury; cash received — Treasury; receipts and value of in-kind assistance — Defense.
- 2/ The commitment has been fulfilled. Germany made available for donation to the U.S. over \$200 million worth of ammunition, which the U.S. chose not to accept due to the termination of the war.
- 3/ In October 1992, the Government of Japan transferred \$25 million to the U.S. Government. This reflected a shift from in-kind support to cash support, and does not represent an additional contribution.
- 4/ The commitment has been fulfilled and there are no future receipts against this commitment. The total commitment could not be fully utilized by the U.S. for Desert Shield/Desert Storm requirements. Korea has agreed to provide in-kind support for non-Desert Shield/Desert Storm projects in FY 1992 in an amount equivalent to the difference.

## ATTACHMENT

Department of Defense Preliminary Estimate of Full Incremental  
Desert Shield/Desert Storm Costs  
(\$ in Billions)

	Reported 1 August 1990 <u>31 August 1992</u>	DOD Estimate of Additional Potential <u>Exposure</u>	Total Reported Plus Potential <u>Costs *</u>
Airlift	3.2	-	3.2
Sealift	5.0	-	5.0
Personnel	6.7	.8	7.5
Personnel Support	6.8	-	6.8
Operating Support	21.3	.1	21.4
Fuel	4.8	-	4.8
Investment	8.4	-	8.4
Military Construction	.4	-	.4
Other Personnel Benefits**	<u>3</u>	<u>3.3</u>	<u>3.6</u>
Total	56.8	4.2	61.1 *

The above estimate reflects the majority of the cost of needed repair, rehabilitation and restoration of equipment due to sand, climatic conditions and combat stress. Estimating the full incremental cost of Desert Shield/Desert Storm requires assumptions about the scope and extent of operations continuing in the region.

- o Almost 24,000 military personnel were in the region at the end of August.
- o Combat aircraft continue to fly in the region and U.S. forces will continue to remain in the region until all parties are satisfied with long term security arrangements.

\* A substantial fraction but not all of these costs require appropriations.

\*\* This includes costs that have already been incurred by the Department of Veterans Affairs and the Department of Education as well as the present value of long term personnel benefits.